

REDEVELOPMENT AGENCY AMENDED AGENDA [CORRECTED]

JUNE 27, 2006

LINDA J. LE ZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES – CHAIR

KEN YEAGER
MADISON P. NGUYEN
DAVID D. CORTESE
JUDY CHIRCO
NANCY PYLE

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

Welcome to the San Jose Redevelopment Agency's Board meeting. Our Board is composed of the ten City Council Members and the Mayor, who serve as our Boardmembers and Chairperson.

If you wish to address the Redevelopment Agency about an issue that is not on the agenda, you may speak during the "Open Forum" during the City Council's meeting. The Council/Agency is unable to take action on issues presented during "Open Forum."

The Agenda following this page contains a Consent Calendar section for routine business items requiring Redevelopment Agency approval, as well as general business items arranged corresponding to the Agency's Critical Service Areas. The Critical Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the Agency provides to the community and to the City. The four Critical Service Areas are:

- ***Promote and Implement Neighborhood Improvement Strategies*** — Through collaboration, revitalize commercial and residential neighborhoods so they are livable, safe, diverse and economically sustainable.
- ***Enhance the Quality and Supply of the City's Housing Stock*** — Enhance the Quality and Supply of the City's Housing Stock
- ***Initiate and Facilitate Public Facilities and Spaces*** — To guide the creation of a fabric of public facilities and spaces that is useful, stable, inviting, delightful and instills pride in the community to foster the opportunity for other investments
- ***Initiate and Facilitate Private Development*** — Capitalize on market opportunities and facilitate private development in the fastest possible time with the highest quality customer service

You may provide input on agenda items by filling out a BLUE Speaker's Card and submitting it to the City Clerk or Agency's Clerk during the meeting. If you wish to speak to the Agency, some tips to help you are noted below:

- **Submit a speaker's card before the meeting and before the item is heard.** This will ensure that your name is called for the items you wish to address, and ensure the meeting runs smoothly for all participants.
- When the Board reaches your item on the agenda, the Chairperson will open the public hearing and call your name. Please address the Agency from the speaker's podium.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Chairperson's discretion however, depending on the number of speakers and length of agenda.

If you have any questions, please direct them to Agency staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings. The Redevelopment Agency meets on Tuesdays, following the City Council's meeting at 1:30 p.m.

Meeting agendas are posted outside City Hall and the agendas and Agency Board Staff Reports may be viewed on the Internet at <http://www.sjredevelopment.org/agendas.htm>. To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call (408) 535-1260 or (408) 294-9337 (TTY) at least two business days before the meeting.

On occasion the Redevelopment Agency may consider agenda items out of order.

- **Call to Order and Roll Call**

9:30 a.m. - Closed Session, City Hall Tower, 18th Floor, City Hall

See Separate Agenda

1:30 p.m. - Regular Session, Council Chambers, City Hall

- **Orders of the Day**

Items recommended to be added, dropped, or deferred are usually approved under Orders of the Day unless the Council directs otherwise.

* Items marked with an asterisk denote changes or additions to the previously published Agenda for this meeting.

Items 8.1 – 8.6 are to be considered in a joint Redevelopment Agency Board/City Council session.

See Item 9 on the City Council Agenda for description of any City Council agendized items relating to the Redevelopment Agency.

New item to be added as 8.1(c):

“(c) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute a Third Amendment to the Restaurant Lease to increase the Landlord/Shell Improvement Allowance an additional \$20,000 for a total Landlord/Shell Improvement Allowance of \$460,000.”

1. CEREMONIAL ITEMS

2. CONSENT CALENDAR

Notice to the public: There will be no separate discussion of Consent Calendar items as they are considered to be routine by the Agency and will be adopted by one motion. If a member of the Redevelopment Agency Board, staff, or public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

2. CONSENT CALENDAR

2.1 Report of the Rules Committee – June 7, 2006.

- (a) Review June 20, 2006 Draft Agenda.
- (b) Addition of new items to the June 13, 2006 Agenda.
- (c) Staff Reports outstanding for June 13, 2006: as of June 7, 2006.

2.2 Approval of agreement with Invesmart Inc., and Invesmart Advisors, Inc., for plan administrative and investment advisory services.

Recommendations:

- (a) Approval of an agreement with Invesmart Inc., for plan administrative services for the Agency's Retirement and Deferred Compensation Plans for Fiscal Years 2006-07, 2007-08 and 2008-09, for a fee not to exceed \$25,000; and,
- (b) Approval of an agreement with Invesmart Advisors, Inc., for investment advisory services for Fiscal Years 2006-07, 2007-08 and 2008-09, for a fee not to exceed \$140,000.

2.3 Approval of an agreement with Ruth and Going, Inc., for preparation of an Infrastructure Improvements Needs Analysis.

Recommendation: Approval of an agreement with Ruth and Going, Inc., in an amount not to exceed \$130,000, for consulting services associated with the preparation of an Infrastructure Improvements Needs Analysis in the Monterey Corridor Redevelopment Project Area. CEQA: Not a project [MONTEREY CORRIDOR]

2.4 Approval of an amendment to the agreement with Weston Miles Architects, Inc., for architectural services related to the Hoffman/Via Monte Neighborhood Center project.

Recommendation: Approval of the second amendment to the agreement with Weston Miles Architects, Inc., in the amount of \$38,890 for a total contract amount not to exceed \$129,390, for architectural services related to the Hoffman/Via Monte Neighborhood Center project, and extending the term of the agreement by one year through June 30, 2007. CEQA: Exempt, File No. PP05-004 [SNI: HOFFMAN/VIA MONTE]

2. CONSENT CALENDAR

2.5 **Approval of the fifth amendment to the agreement with Earth Tech, Inc., for environmental services for the Adobe Systems Phase II Sites.**

Recommendation: Approval of the fifth amendment to the agreement with Earth Tech, Inc., in the amount of \$64,620 for a total contract amount not to exceed \$245,870, for on-going environmental monitoring and reporting services for the Adobe Systems Phase II Sites at 345 Park Avenue and 151 Almaden Boulevard, amending the scope of services and extending the contract term through August 31, 2007. CEQA: Not a project [MERGED]

3. GENERAL

3.1 **Approval of an agreement with the San Jose Downtown Association for promotional and marketing consulting services.**

Recommendation: Approval of an agreement with the San Jose Downtown Association, in an amount not to exceed \$450,000, for promotional and marketing and public space programming for the period July 1, 2006, through July 31, 2007. CEQA: Exempt, File No. PP02-150 [MERGED]

4. NEIGHBORHOOD IMPROVEMENT STRATEGIES

5. HOUSING

5.1 **Approval of an amendment to the DDA with Mesa SoFA Partners, LLC, authorizing the Agency to take actions to facilitate approval of a Final Map for the 360 Residences project.**

Recommendations:

- * (a) Agency Board approval of the first amendment to the Disposition and Development Agreement (DDA) with Mesa SoFA Partners, LLC, authorizing the Agency to enter into a Subdivision Improvement Agreement with the City of San Jose and obtaining the appropriate security, insurance and other requirements as necessary under the Subdivision Improvement Agreement to facilitate the approval of a Final Map on behalf of the 360 Residences project; and,

5. HOUSING

- 5.1 (b) Adoption of a resolution by the Agency Board authorizing the Executive Director to negotiate, execute, record and accept all documents reasonably necessary to implement the DDA and facilitate the close of escrow.
CEQA: Resolution No. 72767 and addenda thereto, File No. H05-037.
[MARKET GATEWAY]

6. PUBLIC FACILITIES AND SPACES

7. PRIVATE DEVELOPMENT

7.1 **Approval of a program to assist building owners to improve and fully occupy historic buildings in the Downtown and other Redevelopment Project Areas.**

Recommendation: It is recommended that the Redevelopment Agency Board adopt resolutions:

- (a) Approving the creation of a program to provide commercial rehabilitation loans to enable intensification of uses (Building Use Intensification) of historic buildings in the Downtown Core; and,
- (b) Approving an adjustment to the Adopted FY 2005-06 Capital Budget, reallocating \$1,000,000 from the Downtown Business Pool project line to the Building Use Intensification (BUI) Program project line in the Merged Redevelopment Area, and amending the FY 2005-06 Agency appropriations resolution; and,
- (c) Authorizing the Executive Director to negotiate and execute a Building Use Intensification Owner Participation Agreement with John E. Turco (Property Owner), Michael Borkenhagen, Steven Borkenhagen, and Tim Littlefield (Business Owners), in an amount not to exceed \$400,000, for the rehabilitation of the building located at 374 South First Street, the SoFA Lounge/Eulipia.

CEQA: Exempt. PP06-107 [MERGED]

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

See items 9.1 – 9.3, pertaining to the Agency’s budgets, Cooperation Agreements, and certain agenda procedural changes, on the City Council’s Agenda, which will be heard and action taken only during the Council meeting that begins at 1:30 p.m. today

CONVENE CITY COUNCIL TO CONSIDER ITEMS 8.1 – 8.6 IN A JOINT SESSION

8.1 Approval actions related to a lease with The Flames Coffee Shop for Agency-owned space located in the Fourth Street Garage.

Recommendations:

- (a) Adoption of a resolution by the City Council accepting the summary of costs and findings of the Amended Summary 33433 Report, pursuant to the California Health and Safety Code Section 33433 for the lease with Century Flames, Inc., for ground floor retail space at 88 South Fourth Street.
- (b) Approval by the Redevelopment Agency Board of the Second Amendment to the Restaurant Lease with Century Flames, Inc., for the property located at 88 South Fourth Street, increasing the total square footage of the Premises, revising the schedule and scope of the project, and restructuring the financing of the Landlord/Shell Improvements through creation of a Landlord/Shell Improvement Allowance of \$450,000 and the elimination of rent credits.
- * (c) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute a Third Amendment to the Restaurant Lease to increase the Landlord/Shell Improvement Allowance to address the costs of additional grease line issues in an amount not to exceed \$25,000

CEQA: Exempt. PP03-08-263 [CIVIC PLAZA]

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

8.2 Approval of an amendment to the agreement among the City, the Redevelopment Agency, and Oak Grove School District for the demolition of the Edenvale Neighborhood Center's temporary modular building at the Edenvale Elementary school.

Recommendations:

- (a) Adoption of a resolution by the Redevelopment Agency Board amending the FY 2005-2006 Revenue Resolution to add \$70,000 from funds transferred from the City's Neighborhood Revitalization Strategy fund; amending the FY 2005-2006 Capital Budget to add \$70,000 to the ERCA Neighborhood Center sub-project in the SNI - Edenvale/Great Oaks project line in the Strong Neighborhoods Initiative Redevelopment Area; and amending the FY 2005-2006 Agency appropriations resolution.
- (b) Approval by the City Council and Agency Board of the Second Amendment to the Amended and Restated Cooperation Agreement providing for the City's transfer of funds for the cost of site improvements at the ERCA Neighborhood Center Project to the Agency in a lump sum.
- 8.2 (c) Adoption of resolutions by the City Council and the Redevelopment Agency Board authorizing the City Manager and Executive Director to execute the first amendment to the agreement among the City, the Redevelopment Agency, and Oak Grove School District (OGSD), in an amount not to exceed \$70,000, for the demolition of the old Edenvale Neighborhood Center on OGSD properties located at the Edenvale Elementary school campus.

CEQA: Exempt. Oak Grove School District, acting as the lead agency under CEQA with principal responsibility for carrying out or approving the project, found the project exempt under Section 15268 of the CEQA Guidelines. The City of San Jose, acting as a responsible agency under CEQA, may rely upon the School District's determination that the project is exempt from environmental review to inform the City's actions related to the project.

[SNI: EDENVALE/GREAT OAKS]

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

8.3 Public Hearing and approval of a DDA with City Front Square, LLC, and Casa Del Pueblo Preservation L.P., for the development of a mixed-use high rise residential project on Block 8 of San Antonio Plaza.

Recommendations:

- (a) The City Council adopt a resolution accepting the summary of costs and findings of the Summary 33433 Report pursuant to the California Health and Safety Code Section 33433 for the sale and development of Block 8, located at 281 South First Street, under the terms and conditions of the Disposition and Development Agreement (DDA); and,
- (b) The Redevelopment Agency Board adopt a resolution approving the Disposition and Development Agreement with City Front Square, LLC, (Developer) and Casa Del Pueblo Preservation L.P., for the development of a mixed-use high rise residential project and authorizing the Executive Director to negotiate, execute, and record all documents reasonably necessary to convey the Site as provided in the DDA; and;
- (c) The City Council adopt a resolution approving a funding commitment for a construction/permanent loan of up to \$6,591,970 to Casa Del Pueblo Preservation, LP, or its designated affiliate entity, for the development of the 245-unit Casa Del Pueblo Apartments project on the northeast corner of Block 8 located at 281 South First Street.

CEQA: San Jose Downtown Strategy 2000 EIR, Resolution 72767 [SAN ANTONIO PLAZA]

8.4 Approval of an agreement with Kidango, Inc., for assistance in expanding the preschool program at Arbuckle Elementary School.

Recommendation: Approval by the City Council and Redevelopment Agency Board of an agreement with Kidango, Inc., providing for an Agency contribution of \$410,670 toward installation and renovation of a portable building to expand the preschool program at Arbuckle Elementary School, and for Kidango's covenant to operate the Center consistent with Smart Start operating standards.
CEQA: Exempt. File No. PP06-091 [SNI: EAST VALLEY/680]

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

8.5 Approval of an agreement with San Juan Bautista Child Development Center to expand the preschool program at Cassell Elementary School.

Recommendation: Approval by the City Council and Redevelopment Agency Board of an agreement with San Juan Bautista Child Development Center (SJBCDC), providing for an Agency contribution of \$150,000 toward SJBCDC's installation and renovation of a portable building to expand the State preschool program at Cassell Elementary School located at 2415 Arden Way, and a covenant to operate the Center consistent with Smart Start operating guidelines. CEQA: Exempt. File No. PP06-092 [SNI: K.O.N.A.]

8.6 Approval of an agreement with San Juan Bautista Child Development Center for renovations to expand the Head Start Preschool Program.

Recommendation: Approval by the City Council and Agency Board of an agreement with San Juan Bautista Child Development Center (SJBCDC), providing for an Agency contribution of \$250,000 toward SJBCDC's renovation of a portion of their campus to expand the Head Start Preschool Program, create an isolation room for sick children, and a covenant to operate the Center consistent with Smart Start operating guidelines. CEQA: Not a project [SNI: K.O.N.A.]

ADJOURN CITY COUNCIL PORTION OF THE MEETING

- Closed Session Report
- Open Forum - To be heard jointly during City Council's Public Discussion.
- Adjournment